



North Bay Jack Garland Airport



**2014
Annual General Meeting
Annual Report
May 14, 2015**





2014 Annual Report

Chairman's Message

Operating Mandate

NBJGAC Board of Directors

Organizational Chart

Airport Contact Information

Airport Facilities

2014 Year In Review

- Operations
- Traffic activity
- Capital Program
- Business Development
- Community Events
- Financial summary

2014 Financial Statements



Chairman's Message

North Bay Jack Garland Airport (NBJGA) completed its twelfth year as a not for profit corporation. Created in February 2003, NBJGA Corporation is overseen by a Board of Directors made up of community leaders representing various aspects of our community with the goal of operating a successful regional airport to serve North Bay and surrounding communities.

On behalf of the Board, I am pleased to report that NBJGA had another successful year. The management and employees of the airport continue to overcome the many challenges faced by regional airports such as NBJGA and they can be proud of their accomplishments.

In 2014, airport management continued to focus on the implementation of the Airport Safety Management System (SMS). The SMS Program is required by Transport Canada and the Board of Directors believes that maintenance and enhancement of the system is a critical part of the continued operation of the Airport.

As per new Transport Canada Regulations to enhance Security in 2014 airport management implemented a Security Operation Program and provided security awareness training to airport users requiring access to the primary security line areas. As part of the program an Airport Security Committee was established, which is a vitally important entity in the ongoing promotion of the airport's security. Committee membership representatives reflect broad and varied interests in aviation security at the airport and provide valued insight and perspective regarding security.





Chairman's Message

The NBJGA Corporation committed to invest \$2,272,582 into the Airport in 2014. The Corporation received \$800,000 in funding from the Northern Ontario Heritage Fund Corporation (NOHFC) and \$1,233,582 from the City of North Bay. The balance of capital \$215,000 was internally funded from airport reserves.

Major projects undertaken in 2014 included:

- Terminal expansion
- Airport ground equipment fleet renewal

The airport continued its runway crack repairs program to ensure properly maintained runways and to help prolong their life in a cost effective manner. In addition routine repairs to runways, aprons and building assets were completed.

Occupancy of Terminal 1 remains above 95% in support of the corporation's objective that the terminal be financially self-sustaining, the newest tenant being Central North Flying School.

From a financial perspective the year was a success. In 2014, NBJGA had revenues of \$2,272,467 versus a budget of \$2,352,787. NBJGA realized an operational income of \$40,794 versus a budget of \$95,981. The variance in operational income versus budget was a result of the changes in scheduled service implemented by Bearskin Airline last April which resulted in lost revenue of \$108,000.



Chairman's Message

The NBJGA saw over 66,171 air passengers, down 2.1% from 2013, and 38,514 aircraft movements in 2014, a decrease of 7.6% from the previous year. These decreases can be partly respectively attributed to the decrease in Bearskin service and the economic challenges faced in the region and globally in the aviation industry. For a fourth consecutive year NBJGA hosted Sunwing flights to a winter vacation destination.

Utilizing the work and opportunities identified by the Investment Attraction, Marketing and Air Services Study (2011) the board and management of NBJGA continued implementation of its 5 year Strategic Plan.

NBJGA completed the review of and the updating of the Airport's Land Use Plan and Noise Exposure Planning Contours. The Board submitted the plan to the City and requested that an Airport Protection Zone be created using the 2032 day and night operations NEF forecast contours. The NBJGA views the airport protection zone as a critical element, to ensure aviation and aerospace activities can continue and grow at the airport.



Chairman's Message

Management continues to work closely with the City of North Bay's economic development department to support commercial and industrial development on groundside and airside properties at the recently opened Airport Business Park.

In 2014 we saw our first airside development with Comsatec Aviation Inc.'s new 20,000 square feet hanger.

The continued support of the community, its municipal leaders and other levels of government is appreciated and will be necessary as we continue to work to maintain and grow a safe and efficient regional airport.

Management continues to make it a priority to work with its current tenants, stakeholders and the community to make the NBJGA a successful regional airport. Its success will depend on the continued dedication of its management and employees.

Moving forward continued implementation of our strategic plan, continued marketing and development of the airport facility the rehabilitation of the cross wind runway (18-36) and additional air service are the priorities of the NBJGA Corp.



Chairman's Message

The Board is pleased with the progress that has been made to date to improve the financial position of the NBJGA. As of the end of 2014, a reserve fund of \$666,664 has been built to help fund future capital projects and replace capital assets as their useful life ends. In addition, the internally restricted future operations fund stood at \$62,436 as of the end of 2014. While challenges remain to ensure the financial and commercial self-sustainability of the airport we believe that the NBJGA has the potential to be a premiere self-sustaining regional airport facility.

In closing and on behalf of the board I would like to thank the management and employees of NBJGA for their dedication and hard work in making the past year a success. I have confidence that with the continued support of all of the stakeholders we will make this airport an important contributor to the economic and social development of North Bay and its surrounding region.



Operating Mandate

The Mission/Mandate

- The corporation shall operate a certified airport in a safe, secure and efficient manner while promoting and developing airport services in order to maximize revenue generation and thus ensure the commercial viability of the airport in support of the overall economic development of the North Bay area.
- In consultation with and approval of the city, the corporation will seek to develop and improve city owned lands within the boundary of the airport.

The North Bay Jack Garland Airport Corporation Vision

- NBJGA Corporation will respond to regional economic development initiatives and pursue a growth strategy that will increase air traffic, build strategic partnerships, increase utilization of current assets and attract new aviation/aerospace businesses.



NBJGAC Board of Directors

Board of Directors

Mr. Ewen Cornick	Chairman	Community
Mr. Max Shapiro	Vice-Chair	Voyageur Airways
Mr. George Burton	Treasurer	Community
Mr. Kevin Donnelly	Secretary	Community
Mr. Ron Miller	Director	Community
Mr. Bill Carswell	Director	Community
Mr. Gord Cardwell	Director	Community
Mr. Daryl Vaillancourt	Director	City of North Bay
Mr. Peter Argue	Director	Community

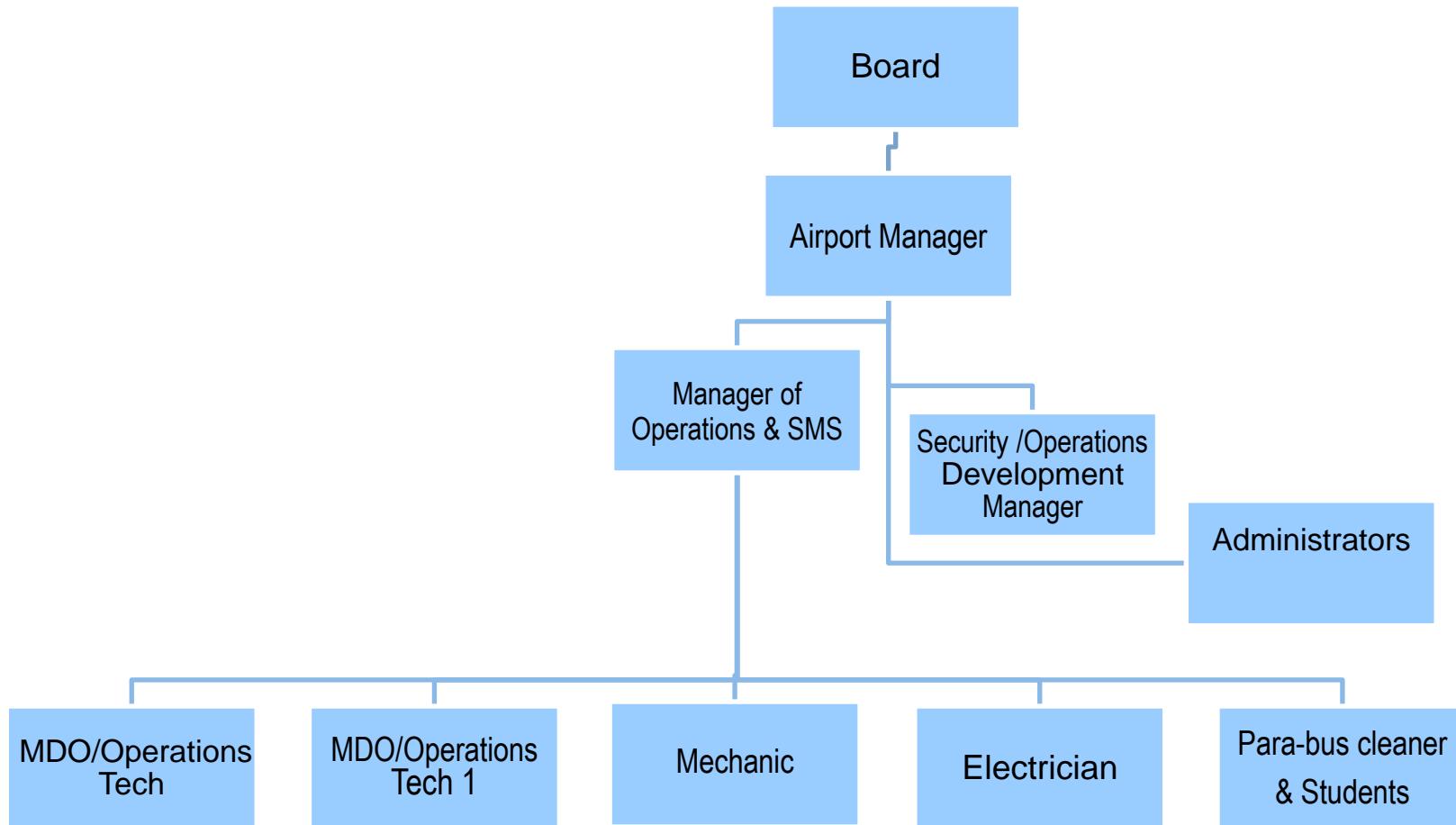
Board Committees

Executive Committee	Chair	Mr. Ewen Cornick
Operations/Policy Committee	Chair	Mr. Max Shapiro
Financial/Human Resources Committee	Chair	Mr. George Burton
Marketing/Property Committee	Chair	Mr. Bill Carswell





North Bay Jack Garland Airport Corporation





Airport Contact Information

- **Mailing Address**
 - North Bay Jack Garland Airport Corporation
50 Terminal St., Suite 1
North Bay, ON
P1B 8G2
- **Telephone:** **(705) 474-3026**
- **Fax:** **(705) 472-9867**
- **Email:** airportmanager@northbayairport.com
- **Website:** www.yyb.ca



Airport Facilities

- The North Bay Jack Garland Airport is a full service airport offering all the conveniences of a modern regional airport.
- The municipally owned airport is served by several air carriers and charter operators with daily scheduled flights, providing national and international connector service for North Bay and other Northern Ontario communities.
- The airport is certified by Transport Canada for day and night IFR (Instrument Flight Rules) and VFR (Visual Flight Rules) operations.
- The main 10,004 foot runway is serviced by a parallel taxiway for efficient airport operations.
- Category 1 Instrument Landing System (ILS), Canada Customs, and Flight service Station attract and accommodate a diverse range of aircraft.
- The 4,492 foot cross wind runway and the 2,000 feet turf runway provide alternates for airport users.
- The pavement loading rating of 11 on the main runway will support all types of aircraft
 - light trainers
 - wide-bodied planes such as the Boeing 747 and Air Bus 330
 - Military operations C-130, F-18, C-17
- With attractive noise exposure forecasts (NEF Zones), registered zoning, supportive municipal by-laws and approach procedures the airport offers 24-hour unlimited access with no curfew restrictions.
- The North Bay Airport offers protected flight test corridors and flight test areas in close proximity.



2014 Year In Review

Operations

Safety Management System:

- July 2014 all audit deficiencies addressed
- July 2014 Airport Certificate issued

Airport Security Plan:

- January 2014 first meeting of the new Security committee which represents all components of the airport, North Bay Police and other community members.
- July 2014 Transport Canada Inspection one deficiency noted which required a new protocol to be put in place at gate 1 for ambulance access.

Maintenance:

- Tree removal to meet Obstacle Limitation System requirements for runway 36 in cooperation with CFB North Bay
- Airfield maintenance projects included crack sealing of Apron 1, Apron III and a section of runway 26 and line painting on runway 08-26
- Repairs and upgrades to all buildings.
- Site clean up and fence repairs



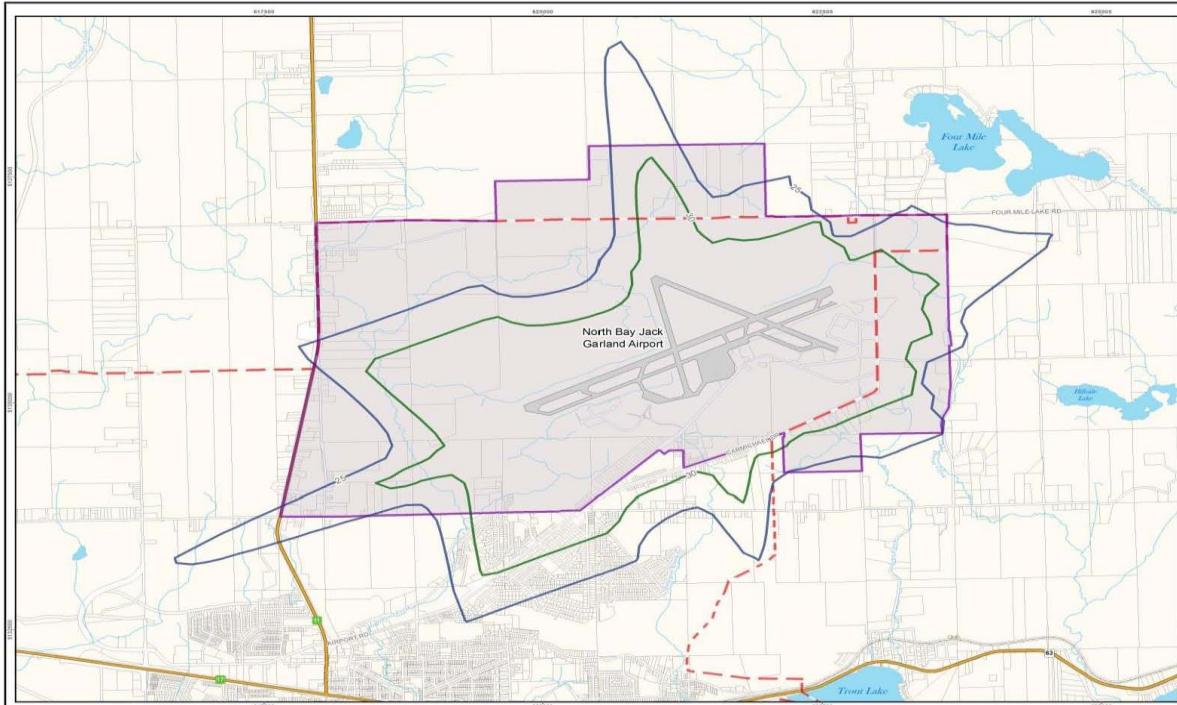
2014 Year In Review Operations

Land Use and Airport Protection Plan update

In February the Airport requested that the City create an airport Protection zone using the 2032 NEF Day Night Operations Contours. Public consultation on the plan was held in June 2014 and a final report was draft will be finalized yearly in 2015.

Schedule C

Proposed Airport Protection Zone and new NEF Contours





2013 Year In Review

Operations

Emergency Preparedness

- While we had no exercise in 2014 our procedures were put to test on three occasions with minor aircraft incidents requiring ARFF response.
- The airport participated in exercise with CFB North Bay in the month of October.

Major construction projects and capital expenditures in 2014 included:

- Fleet renewal
- Alert Hanger 8 roof repair
- Completion of the Airfield signs project.
- Terminal Expansion

All works were completed to enhance service, safety and the financial viability of the airport.

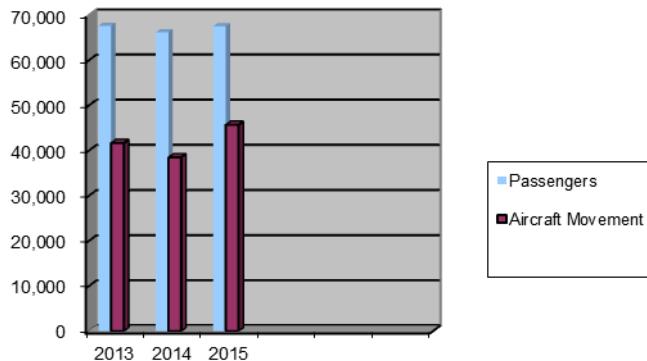


2014 Year In Review

Traffic Activity 2014

- 66,171 airline enplaned/deplaned passengers used the North Bay Airport. In addition 11,223 persons used the facilities for itinerant and private flights.
- Aircraft activity for the year was down 7.6% from 2013 with 38,514 recorded aircraft movements. This change was mostly due to less training flights and weather conditions and changes made by Bearskin Airlines in April.
- We expect minor growth in 2015 and based on current numbers we should exceed our projections..

	2013	2014	2015
Passengers	67,606	66,171	67,500
Aircraft Movement	41,664	38,514	45,700





2014 Year In Review

Capital Program

In 2014 a capital program of \$2,272,582 was undertaken with funding provided from the following sources:

- City of North Bay \$1,223,582
- NOHFC Northern Ontario Heritage Fund Corporation \$800,000
- North Bay Jack Airport Corporation \$215,000

Major capital projects in 2014 included:

- Terminal Expansion





2014 Year In Review

Capital Program – continued

Other capital projects that were undertaken during 2014 included;

- Replacement of Alert Hanger Roof
- Rehabilitation of Airport Signage
- Fleet replacement





2014 Year In Review

Business Development

North Bay Jack Garland Corporation and airport management recognize the need for a competitive and self-sufficient organization designed to serve the needs of the travelling public, airport tenants and the North Bay and area community.

Two new business were established in the new Airport Commercial/Industrial Park.

- Comsatec Official opening of Hanger November 2014
- Expansion of Canadore Aviation College December 2014.





2014 Year In Review

Special Events and IROPs

Airport facilities were utilized by several community groups during 2014:

- Canadore Aviation College Air Cadet Program
- Canada Armed Forces Day
- Local School Tours
- I-regular Operations





Financial Summary

	2014	
	Actual	Budget
Revenues	\$ 2,272,467	\$ 2,352,587
Expenses	<u>\$ 2,231,673</u>	<u>\$ 2,256,806</u>
Operating Income	\$ 40,794	\$ 95,781
Amortization	<u>\$ 60,792</u>	<u>\$ 44,000</u>
Net Income	\$ (19,998)	\$ 51,781

In 2014 the NBJGA Corporation generated an operational profit of \$40,794 and a net loss of (\$19,998) once amortization cost were factored in..

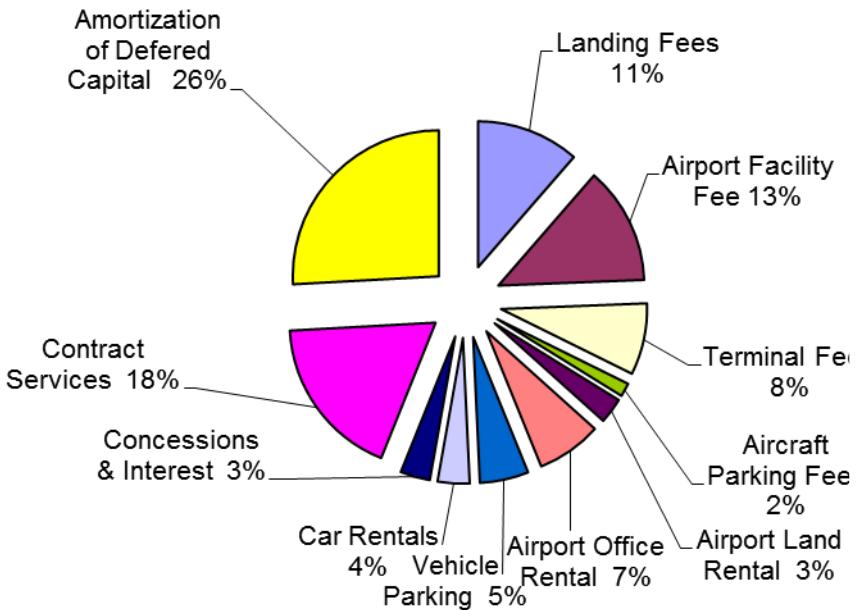
Actual net income versus Budget were impacted by:

- Service reductions made By Bearskin Airlines as of April 1, 2014.
- Accounting entries to capture the amortization of deferred contributions and capital assets.

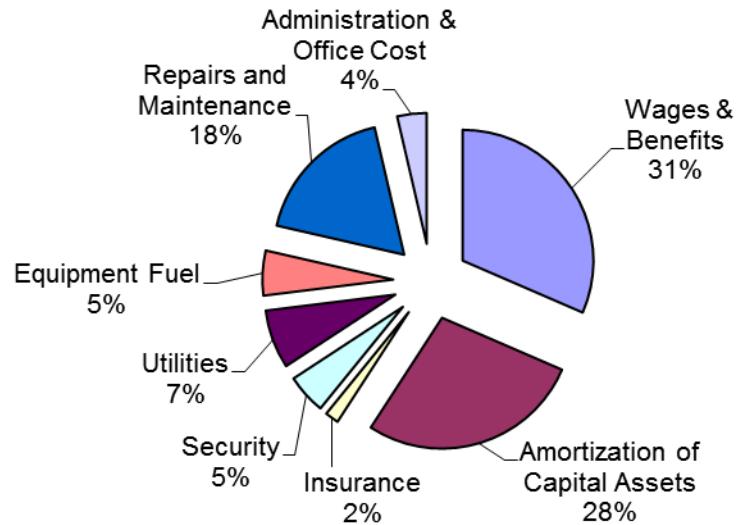


Financial Summary

Revenues by Type



Expenses by Type





Financial Statements of
**NORTH BAY JACK GARLAND
AIRPORT CORPORATION**
Year ended December 31, 2014





KPMG LLP
925 Stockdale Road
North Bay ON P1B 9N5

Telephone (705) 472-5110
Fax (705) 472-1249
Internet www.kpmg.ca

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of North Bay Jack Garland Airport Corporation

We have audited the accompanying financial statements of North Bay Jack Garland Airport Corporation which comprise the statement of financial position as at December 31, 2014, the statements of operations, changes in net assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of North Bay Jack Garland Airport Corporation as at December 31, 2014, and its results of operations, its changes in net assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants, Licensed Public Accountants

North Bay, Canada
May 14, 2015

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP.





NORTH BAY JACK GARLAND AIRPORT CORPORATION

Statement of Financial Position

December 31, 2014, with comparative information for 2013

	2014	2013
Assets		
Current assets:		
Cash	\$ 498,138	\$ 97,912
Accounts and grants receivable (note 2)	559,673	512,700
Inventories	77,869	75,249
Prepaid expenses	5,489	5,489
	1,141,169	691,350
Restricted cash (note 3)	229,063	357,042
Capital assets (note 4)	15,598,451	13,547,230
Less accumulated amortization	(4,821,203)	(3,996,409)
	10,777,248	9,550,821
	\$ 12,147,480	\$ 10,599,213
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 523,558	\$ 162,425
Prepaid fees (note 5)	24,354	25,967
	547,912	188,392
Deferred capital contributions (note 6)	10,060,455	8,851,710
	10,608,367	9,040,102
Net assets:		
Unrestricted	93,240	244,753
Equity in capital assets (note 7)	716,793	699,111
Internally restricted (note 3)	729,080	615,247
	1,539,113	1,559,111
Commitments (note 8)		
	\$ 12,147,480	\$ 10,599,213

See accompanying notes to financial statements.

On behalf of the Board:

Director

Director



NORTH BAY JACK GARLAND AIRPORT CORPORATION

Statement of Operations

Year ended December 31, 2014, with comparative information for 2013

	2014	2013
Revenue:		
Fees and services	\$ 2,245,163	\$ 2,337,548
Contract	13,920	9,090
Interest	9,784	11,028
Gain on sale of capital assets	3,600	-
Amortization of deferred capital contributions (note 6)	793,214	766,471
	3,065,681	3,124,137
Expenses:		
Salaries and benefits	971,811	916,536
Amortization of capital assets	854,005	821,836
Repairs and maintenance	536,170	575,484
Utilities	223,982	225,006
Equipment fuel	170,793	181,753
Security services	151,574	154,811
Insurance	52,386	49,893
Telephone	37,146	33,347
Professional fees	22,865	40,845
Office and general	15,672	17,584
Travel	12,989	8,540
Advertising	9,121	24,535
Land use plan (note 11)	7,093	42,858
Consulting fees	6,518	5,565
Interest and bank charges	5,880	5,993
Materials and supplies	5,573	5,149
Office equipment rentals	2,101	2,015
	3,085,679	3,111,750
Excess (deficiency) of revenue over expenses	\$ (19,998)	\$ 12,387

See accompanying notes to financial statements.



NORTH BAY JACK GARLAND AIRPORT CORPORATION

Statement of Changes in Net Assets

Year ended December 31, 2014, with comparative information for 2013

	Unrestricted (note 3)	Internally Restricted	Equity in Capital Assets (note 7)	2014 Total	2013 Total
Net assets, beginning of year	\$ 244,753	615,247	699,111	\$ 1,559,111	\$ 1,546,724
Excess (deficiency) of revenue over expenses	40,793	-	(60,791)	(19,998)	12,387
Net changes in investments in capital assets (note 7)	(78,473)	-	78,473	-	-
Internally imposed restrictions - capital (note 3)	(123,539)	123,539	-	-	-
Internally imposed restrictions - capital (note 3)	15,000	(15,000)	-	-	-
Internally imposed restrictions - operating (note 3)	(5,294)	5,294	-	-	-
Net assets, end of year	\$ 93,240	729,080	716,793	\$ 1,539,113	\$ 1,559,111

See accompanying notes to financial statements.



NORTH BAY JACK GARLAND AIRPORT CORPORATION

Statement of Cash Flows

Year ended December 31, 2014, with comparative information for 2013

	2014	2013
Cash flows from operating activities:		
Excess (deficiency) of revenue over expenses	\$ (19,998)	\$ 12,387
Adjustments for:		
Amortization of capital assets	854,005	821,836
Amortization of deferred contributions related to capital assets	(793,214)	(766,471)
Gain on sale of capital assets	(3,600)	-
	37,193	67,752
Change in non-cash working capital:		
Accounts and grants receivable	(46,973)	(263,933)
Inventories	(2,620)	(493)
Prepaid expenses	-	(377)
Accounts payable and accrued liabilities	361,133	(82,417)
Prepaid fees	(1,613)	1,904
	347,120	(277,564)
Cash flows from financing activities:		
Deferred contributions related to capital assets	2,001,959	811,699
Cash flows from capital activities:		
Purchase of capital assets	(2,080,432)	(1,018,279)
Proceeds on sale of capital assets	3,600	-
	(2,076,832)	(1,018,279)
Cash flows from investing activities:		
Decrease in restricted cash	127,979	228,982
Increase (decrease) in cash	400,226	(255,162)
Cash, beginning of year	97,912	353,074
Cash, end of year	\$ 498,138	\$ 97,912

See accompanying notes to financial statements.



NORTH BAY JACK GARLAND AIRPORT CORPORATION

Notes to Financial Statements

Year ended December 31, 2014

North Bay Jack Garland Airport Corporation (the "Corporation") is incorporated without share capital under the laws of Ontario. The Corporation has entered into an operating agreement with the Corporation of the City of North Bay (the "City") to manage Jack Garland Airport until December 31, 2018. This agreement may be terminated by either party without cause, upon one-hundred eighty days notice.

1. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards including the 4200 standards for government not-for-profit organizations. A statement of remeasurement gains and losses has not been included as there are no matters to report therein.

(a) Revenue recognition:

Fees, services and expense recoveries are recognized when fees are earned and services provided respectively, collection of the relevant receivable is probable, persuasive evidence of an arrangement exists and the sales price is fixed or determinable.

The Corporation accounts for contributions, which include government grants, under the deferral method of accounting as follows:

Operating grants are recorded as revenue in the period to which they relate. Grants approved but not received at the end of a period are accrued. Grants relating to future periods are deferred and recognized in the subsequent period when the related activity occurs.

Unrestricted contributions are recognized as revenue when received or receivable if the amounts can be reasonably estimated and collection is reasonably assured.

Externally restricted contributions are recognized as revenue in the period in which the related expenses are recognized. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight-line basis at rates corresponding to those of the related capital assets.

(b) Inventories:

Inventories are stated at the lower of average cost and net realizable value.



NORTH BAY JACK GARLAND AIRPORT CORPORATION

Notes to Financial Statements

Year ended December 31, 2014

1. Significant accounting policies (continued):

(c) Capital assets:

Capital assets are stated at cost less accumulated amortization. Amortization is provided for over the estimated useful lives of the assets using the following basis:

Asset	Basis	Years
Equipment	Straight-line	12 - 15
Computer hardware and software	Straight-line	5
Building improvements	Straight-line	10
Vehicles	Straight-line	5
Land improvements	Straight-line	5
Airfield infrastructure	Straight-line	20
Groundside infrastructure	Straight-line	20

(d) Employee future benefits:

Defined contributions plan accounting is applied to a multi-employer defined benefit pension plan for which the Corporation has insufficient information to apply defined benefit plan accounting.

(e) Use of estimates:

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Significant items subject to such estimates and assumptions include the carrying amount of capital assets and valuation allowances for receivables. Actual results could differ from these estimates.

2. Accounts and grants receivable:

	2014	2013
Accounts receivable	\$ 259,808	\$ 232,142
Capital asset contributions receivable:		
Northern Ontario Heritage Fund Corporation	128,214	-
Corporation of the City of North Bay	171,651	49,721
Industry Canada	-	15,852
Transport Canada	-	214,985
	<hr/> \$ 559,673	<hr/> \$ 512,700



NORTH BAY JACK GARLAND AIRPORT CORPORATION

Notes to Financial Statements

Year ended December 31, 2014

3. Internally restricted net assets and restricted cash:

	2014	2013
Future capital expenditures	\$ 666,644	\$ 558,105
Future operations	62,436	57,142
	<hr/> \$ 729,080	<hr/> \$ 615,247

The Corporation restricted \$123,539 (2013 - \$217,190) for future capital expenditures. Annually, the Corporation sets aside 3% of gross revenue, excluding amortization of deferred capital contributions for future capital expenditures, and any further amounts as determined by the Board of Directors.

The Corporation restricted \$12,387 (2013 - \$Nil) for future operations.

The Corporation utilized \$15,000 (2013 - \$151,215) from the reserve for future capital expenditures and \$7,093 (2013 - \$42,858) from the reserve for future operations.

The Corporation has restricted cash in the amount of \$229,063 (2013 - \$357,042) related to the above.

4. Capital assets:

	2014	2013		
	Cost	Accumulated Amortization	Net book Value	Net book Value
Equipment	\$ 3,265,215	\$ 1,165,562	\$ 2,099,653	\$ 2,328,837
Computer hardware and software	146,835	114,126	32,709	58,027
Vehicles	156,366	117,248	39,118	18,188
Building improvements	4,317,740	1,317,990	2,999,750	1,154,135
Airfield infrastructure	7,625,725	2,095,456	5,530,269	5,911,556
Groundside infrastructure	86,570	10,821	75,749	80,078
	<hr/> \$ 15,598,451	<hr/> \$ 4,821,203	<hr/> \$ 10,777,248	<hr/> \$ 9,550,821

5. Prepaid fees:

Under the terms of airport use agreements with various customers, the Corporation receives prepayments for the use of airport assets in the future. These prepayments will be recognized as revenue when the services are provided.



NORTH BAY JACK GARLAND AIRPORT CORPORATION

Notes to Financial Statements

Year ended December 31, 2014

6. Deferred capital contributions:

Deferred capital contributions represent the unamortized balance of grants received for capital asset acquisitions. The amortization of capital contributions is recorded as revenue in the Statement of Operations.

	2014	2013
Balance, beginning of year	\$ 8,851,710	\$ 8,806,482
Contributions received	2,001,959	811,699
Amortization of deferred capital contributions	(793,214)	(766,471)
	<hr/> \$ 10,060,455	<hr/> \$ 8,851,710

7. Investment in capital assets:

(a) Investment in capital assets is calculated as follows:

	2014	2013
Capital assets	\$ 10,777,248	\$ 9,550,821
Amounts financed by:		
Deferred contributions	(10,060,455)	(8,851,710)

(b) Change in net assets invested in capital assets is calculated as follows:

	2014	2013
Excess of revenues over expenses:		
Amortization of deferred contributions related to capital assets	\$ 793,214	\$ 766,471
Amortization of capital assets	(854,005)	(821,836)
	<hr/>	<hr/>
Net change in investment in capital assets:		
Purchase of capital assets	\$ 2,080,432	\$ 1,018,279
Amounts funded by:		
Deferred capital contributions	(2,001,959)	(811,699)
	<hr/>	<hr/>
	\$ 78,473	\$ 206,580



NORTH BAY JACK GARLAND AIRPORT CORPORATION

Notes to Financial Statements

Year ended December 31, 2014

8. Commitments:

In 2013, the Corporation has entered into a four year contract for janitorial and restaurant services. Remaining payments are due as follows:

2015	\$ 148,000
2016	149,900
2017	154,000
	\$ 451,900

Commitments related primarily to the purchase of capital assets amount to approximately \$103,700.

9. Employee future benefits:

The Corporation makes contributions to the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer plan, on behalf of all permanent, full-time and qualifying part-time members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on length of service and rates of pay. During the year, the Corporation contributed \$60,307(2013 - \$58,319) to the plan.

10. Related party transactions:

The Corporation is controlled by the Corporation of the City of North Bay (the "City") in accordance with the terms of an operating agreement dated December 19, 2007.

The Corporation provided the City with maintenance services amounting to \$218,684 (2013 - \$185,705). The City provided the Corporation with the corporate services, including information technology support and server access amounting to \$15,065 (2013 - \$15,065).

The City provided the Corporation with capital contributions of \$1,201,959 (2013 - \$385,016) for the acquisition of capital assets.

These transactions are in the normal course of operations and are recorded at their exchange amount which is the amount agreed to by the related parties.

11. Land use plan:

In 2013, the Corporation began a land use plan which was completed in 2014. The plan is expected to be used for 5 years and will be financed through the internally restricted - future operations net asset reserve.

North Bay Jack Garland Airport Corporation

